

# How Will Act 177 Affect My Business?

Effective 7/1/2022



## 1st Class Licensees

- ✓ Can now purchase RTD spirits beverages that are **less than 12% alcohol** by volume (ABV) and in container sizes **no larger than 24 fluid ounces** directly from licensed wholesalers/distributors
- ✓ Can now serve RTD spirits beverages
- ✓ Sampler flights can now include up to 32 oz. of cider and up to 12 oz. of RTD spirits beverages
- ✓ Promotional tastings conducted by a licensed manufacturer, wholesaler or rectifier can now include up to 2 oz. of malt, vinous, or RTD spirits beverages per employee
- ✓ 3rd Class licensees may now purchase tickets in DLL's Rare Spirits raffles



## 2nd Class Licensees

- ✓ Can now purchase RTD spirits beverages that are **less than 12% alcohol** by volume (ABV) and in container sizes **no larger than 24 fluid ounces** directly from licensed wholesalers/distributors
- ✓ Can now sell RTD spirits beverages
- ✓ Promotional tastings conducted by a licensed manufacturer, wholesaler or rectifier can now include up to 2 oz. of malt, vinous, or RTD spirits beverages per employee
- ✓ Tasting Permit holders may now serve up to 2 oz. samples of malt, vinous, or RTD spirits beverages to their customers, not to exceed a total of 8 oz. per customer
- ✓ Retail Delivery Permit holders may now deliver RTD spirits beverages to Vermont residences



## Other License & Permit Holders

- ✓ Education Sampling Permit holders may now serve up to 2 oz. samples of malt, vinous, or RTD spirits beverages
- ✓ Educational Sampling Permit holders shall pay taxes of \$1.10 per gallon served for RTD spirits beverages
- ✓ Special Event Permit holders can now sell alcoholic beverages "within the event boundaries" and not just within the permit holder's specific defined area
- ✓ Festival Permit holders can now serve up to 12 ounce servings of cider but not more than 60 oz. per patron
- ✓ Festival Permit holders can now serve up to 5 ounce servings of RTD spirits beverages but not more than 25 oz. per patron
- ✓ Special Venue Permit holders may now purchase RTD spirits beverages that are less than 12% ABV and in container sizes no larger than 24 fluid ounces directly from a licensed retailer to serve at their event

## New Beverage Definitions

**Ready-to-drink Spirits Beverage** - An alcoholic beverage containing more than 1% alcohol by volume (ABV) and not more than 12% ABV at 60 degrees Fahrenheit obtained by distillation, by chemical synthesis, or through concentration by freezing and mixed with nonalcoholic beverages, flavoring, or coloring materials. Ready-to-drink spirits beverages may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives, and other ingredients. "Ready-to-drink spirits beverage" shall not include a beverage that is packaged in containers greater than 24 fluid ounces in volume.

**Cider**— A vinous beverage, made primarily from the fermented natural sugar content of apples or pears, that contains an alcoholic content of not less than 1% ABV or more than 16% ABV at 60 degrees Fahrenheit. "Cider" includes sweetened, flavored, and carbonated cider.



## Manufacturers

- ✓ Licensed spirits manufacturers can now manufacture RTD spirits beverages under their existing manufacturer license
- ✓ Licensed in-state or out-of-state spirit manufacturers with a Direct Ship to Consumer License may now ship up to 12 cases of RTD spirits beverages, containing not more than 29 gallons of RTD spirits beverages to any one Vermont resident in a calendar year
- ✓ 4th Class licensees may now serve up to 2 oz servings of RTD spirits beverages at their 4th Class establishments as long as the total of all beverages served does not exceed 8 oz per customer
- ✓ Out-of-state manufacturers may now obtain a Certificate of Approval to Sell Ready-To-Drink (RTD) Spirits Beverages allowing them to export RTD spirits beverages to holders of packagers' or wholesale dealers' licenses
- ✓ Manufacturer employees may sample RTD spirits beverages for quality assurance but the sample size may be no larger than 2 oz.



## Wholesalers & Solicitors

- ✓ Licensed wholesalers may now distribute and/or sell RTD spirits beverages to 1st class licensees, 2nd Class licensees and holders of Educational Sampling Permits
- ✓ Licensed solicitors are now authorized to solicit orders for RTD spirits beverages
- ✓ Packagers and wholesalers must pay taxes of \$1.10 per gallon for RTD spirits beverages sold by them to retailers in Vermont
- ✓ **Effective 7/1/2023**, packagers and wholesalers must pay taxes of 26.5 cents per gallon for ciders containing not more than 7% alcohol by volume and 55 cents per gallon for ciders containing more than 7% alcohol by volume sold by them to retailers in Vermont



## Common Carriers

- ✓ Common carriers may deliver RTD spirits beverages that have been shipped from a manufacturer with a Direct Ship to Consumer License to Vermont residences